

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1002 be amended to read as follows:

- 1 Page 2, delete lines 20 through 42, begin a new paragraph and insert:
2 "SECTION 2. IC 6-1.1-12-37, AS AMENDED BY
3 P.L.192-2002(ss), SECTION 32, IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37. (a) Each year a
5 person who is entitled to receive the homestead credit provided under
6 IC 6-1.1-20.9 for property taxes payable in the following year is entitled
7 to a standard deduction from the assessed value of the real property,
8 mobile home not assessed as real property, or manufactured home not
9 assessed as real property that qualifies for the homestead credit. The
10 auditor of the county shall record and make the deduction for the
11 person qualifying for the deduction.
12 (b) Except as provided in section 40.5 of this chapter, the total
13 amount of the deduction that a person may receive under this section
14 for a particular year is the lesser of:
15 (1) one-half (1/2) of the assessed value of the real property,
16 mobile home not assessed as real property, or manufactured home
17 not assessed as real property; or
18 (2) **the following:**
19 **(A) Thirty-five thousand dollars (\$35,000) for property taxes**
20 **first due and payable in 2003 (or that would have been**
21 **first due and payable in 2003 if the general reassessment**
22 **affecting the taxing unit had been completed on the date**
23 **required under IC 6-1.1-4(a)).**

(B) Thirty-five thousand dollars (\$35,000) for property taxes first due and payable in 2004 (excluding any amount that would have been first due and payable in 2003 if the general reassessment affecting the taxing unit had been completed on the date required under IC 6-1.1-4(a)).

(C) Thirty-five thousand dollars (\$35,000) for property taxes first due and payable in 2005 and thereafter.

(c) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

SECTION 3. IC 6-1.1-21-3, AS AMENDED BY P.L.192-2002(ss), SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The department, with the assistance of the auditor of state and the department of local government finance, shall determine an amount equal to the eligible property tax replacement amount, which is the estimated property tax replacement.

(b) The department of local government finance shall certify to the department the amount of:

(1) property tax deduction replacement credits provided under IC 6-1.1-21.9 that are allowed by the county for the particular calendar year; and

(2) homestead credits provided under IC 6-1.1-20.9 which are allowed by the county for the particular calendar year.

(c) If there are one (1) or more taxing districts in the county that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter, the department of local government finance shall estimate an additional distribution for the county in the same report required under subsection (a). This additional distribution equals the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Estimate that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the estimated property tax replacement amount attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a

1 special fund under IC 6-1.1-39-5.

2 (d) The sum of the amounts determined under subsections (a)
3 through (c) is the particular county's estimated distribution for the
4 calendar year.

5 SECTION 4. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003,
6 SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12,
7 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department
9 shall allocate from the property tax replacement fund an amount equal
10 to the sum of:

11 (1) each county's total eligible property tax replacement amount
12 for that year; plus

13 (2) the total amount of homestead tax credits that are provided
14 under IC 6-1.1-20.9 and allowed by each county for that year;
15 plus

16 (3) an amount for each county that has one (1) or more taxing
17 districts that contain all or part of an economic development
18 district that meets the requirements of section 5.5 of this chapter.
19 This amount is the sum of the amounts determined under the
20 following STEPS for all taxing districts in the county that contain
21 all or part of an economic development district:

22 STEP ONE: Determine that part of the sum of the amounts
23 under section 2(g)(1)(A) and 2(g)(2) of this chapter that is
24 attributable to the taxing district.

25 STEP TWO: Divide:

26 (A) that part of the subdivision (1) amount that is attributable
27 to the taxing district; by

28 (B) the STEP ONE sum.

29 STEP THREE: Multiply:

30 (A) the STEP TWO quotient; times

31 (B) the taxes levied in the taxing district that are allocated to
32 a special fund under IC 6-1.1-39-5; **plus**

33 **(4) the total amount of property tax deduction replacement**
34 **credits that are provided under IC 6-1.1-21.9 and allowed by**
35 **each county for that year.**

36 (b) Except as provided in subsection (e), between March 1 and
37 August 31 of each year, the department shall distribute to each county
38 treasurer from the property tax replacement fund one-half (1/2) of the
39 estimated distribution for that year for the county. Between September
40 1 and December 15 of that year, the department shall distribute to each
41 county treasurer from the property tax replacement fund the remaining
42 one-half (1/2) of each estimated distribution for that year. The amount
43 of the distribution for each of these periods shall be according to a
44 schedule determined by the property tax replacement fund board under
45 section 10 of this chapter. The estimated distribution for each county

1 may be adjusted from time to time by the department to reflect any
 2 changes in the total county tax levy upon which the estimated
 3 distribution is based.

4 (c) On or before December 31 of each year or as soon thereafter as
 5 possible, the department shall make a final determination of the amount
 6 which should be distributed from the property tax replacement fund to
 7 each county for that calendar year. This determination shall be known
 8 as the final determination of distribution. The department shall distribute
 9 to the county treasurer or receive back from the county treasurer any
 10 deficit or excess, as the case may be, between the sum of the
 11 distributions made for that calendar year based on the estimated
 12 distribution and the final determination of distribution. The final
 13 determination of distribution shall be based on the auditor's abstract filed
 14 with the auditor of state, adjusted for postabstract adjustments included
 15 in the December settlement sheet for the year, and such additional
 16 information as the department may require.

17 (d) All distributions provided for in this section shall be made on
 18 warrants issued by the auditor of state drawn on the treasurer of state.
 19 If the amounts allocated by the department from the property tax
 20 replacement fund exceed in the aggregate the balance of money in the
 21 fund, then the amount of the deficiency shall be transferred from the
 22 state general fund to the property tax replacement fund, and the auditor
 23 of state shall issue a warrant to the treasurer of state ordering the
 24 payment of that amount. However, any amount transferred under this
 25 section from the general fund to the property tax replacement fund
 26 shall, as soon as funds are available in the property tax replacement
 27 fund, be retransferred from the property tax replacement fund to the
 28 state general fund, and the auditor of state shall issue a warrant to the
 29 treasurer of state ordering the replacement of that amount.

30 (e) Except as provided in subsection (i), the department shall not
 31 distribute under subsection (b) and section 10 of this chapter the money
 32 attributable to the county's property reassessment fund if:

33 (1) by the date the distribution is scheduled to be made, ~~(1)~~ the
 34 county auditor has not sent a certified statement required to be
 35 sent by that date under IC 6-1.1-17-1 to the department of local
 36 government finance; ~~or~~

37 (2) *by the deadline under IC 36-2-9-20, the county auditor has not*
 38 *transmitted data as required under that section; or*

39 ~~(2)~~ **(3) the county assessor has not forwarded to the department**
 40 **of local government finance the duplicate copies of all**
 41 **approved exemption applications required to be forwarded by that**
 42 **date under IC 6-1.1-11-8(a).**

43 (f) Except as provided in subsection (i), if the elected township
 44 assessors in the county, the elected township assessors and the county
 45 assessor, or the county assessor has not transmitted to the department

of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b), the state board or the department shall not distribute under subsection (b) and section 10 of this chapter a part of the money attributable to the county's property reassessment fund. The portion not distributed is the amount that bears the same proportion to the total potential distribution as the number of townships in the county for which data was not transmitted by ~~August 1~~ *October 1* as described in this section bears to the total number of townships in the county.

(g) Money not distributed ~~under subsection (e)~~ *for the reasons stated in subsection (e)(1) and (e)(2)* shall be distributed to the county when:

(1) the county auditor sends to the department of local government finance the certified statement required to be sent under IC 6-1.1-17-1; and

(2) *the county assessor forwards to the department of local government finance the approved exemption applications required to be forwarded under IC 6-1.1-11-8(a);*

with respect to which the failure to send *or forward* resulted in the withholding of the distribution under subsection (e).

(h) Money not distributed under subsection (f) shall be distributed to the county when the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor transmits to the department of local government finance the data required to be transmitted under IC 6-1.1-4-25(b) with respect to which the failure to transmit resulted in the withholding of the distribution under subsection (f).

(i) The restrictions on distributions under subsections (e) and (f) do not apply if the department of local government finance determines that:

(1) the failure of:

(A) a county auditor to send a certified statement; or

(B) *a county assessor to forward copies of all approved exemption applications;*

as described in subsection (e); or

(2) the failure of an official to transmit data as described in subsection (f);

is justified by unusual circumstances.

SECTION 5. IC 6-1.1-21.9 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 21.9. Property Tax Deduction Replacement Credits

Sec. 1. This chapter applies to the following:

(1) A property tax deduction increment.

(2) A qualified property tax deduction.

Sec. 2. The definitions set forth in IC 6-1.1-21 apply throughout

1 **this chapter.**

2 **Sec. 3. As used in this chapter, "county property tax deduction**
 3 **replacement amount" means the sum of a particular county's**
 4 **taxpayer property tax deduction replacement credits.**

5 **Sec. 4. (a) This section applies only to a property tax deduction**
 6 **available under this article that is:**

- 7 **(1) in effect on November 1, 2003; and**
 8 **(2) increased in value by the general assembly after**
 9 **November 18, 2003, and before March 14, 2004.**

10 **(b) As used in this chapter, "property tax deduction increment"**
 11 **means:**

- 12 **(1) the value of a property tax deduction available under this**
 13 **article (as in effect after October 31, 2003); minus**
 14 **(2) the value of the property tax deduction described in**
 15 **subdivision (1) before November 1, 2003.**

16 **Sec. 5. As used in this chapter, "qualified property tax**
 17 **deduction" means a property tax deduction enacted by the general**
 18 **assembly after November 1, 2003, and before March 14, 2004.**

19 **Sec. 6. As used in this chapter, "taxpayer's property tax**
 20 **deduction replacement credit" means the amount determined in**
 21 **the last of the following STEPS:**

22 **STEP ONE: Determine the sum of a particular taxpayer's**
 23 **property tax deduction increments.**

24 **STEP TWO: Determine the sum of the taxpayer's qualified**
 25 **property tax deductions.**

26 **STEP THREE: Determine the sum of the STEP ONE and STEP**
 27 **TWO results.**

28 **STEP FOUR: Multiply the STEP THREE result by the total**
 29 **net tax rate applicable in the taxpayer's taxing district.**

30 **Sec. 7. The department, with the assistance of the auditor of**
 31 **state and the department of local government finance, shall**
 32 **determine for each county an amount equal to the county**
 33 **property tax deduction replacement amount.**

34 **Sec. 8. For purposes of calculating tax rates, the county auditor**
 35 **shall add the sum of each county taxpayer's:**

- 36 **(1) property tax deduction increments; and**
 37 **(2) qualified property tax deductions;**
 38 **to the county's net assessed value.**

39 **Sec. 9. For purposes of calculating a particular taxpayer's tax**
 40 **bill, the county treasurer shall add the sum of the taxpayer's:**

- 41 **(1) property tax deduction increments; and**
 42 **(2) qualified property tax deductions;**
 43 **to the taxpayer's net assessed value.**

1 **Sec. 10. Each year the taxpayers of each county shall receive a**
 2 **credit for property tax deduction replacement in the amount of**
 3 **each taxpayer's property tax deduction replacement credit amount**
 4 **for taxes which under IC 6-1.1-22-9 are due and payable in May**
 5 **and November of that year. The credit shall be applied to each**
 6 **installment of taxes. The dollar amount of the credit for each**
 7 **taxpayer shall be determined by the county auditor based on data**
 8 **furnished by the department of local government finance.**

9 **SECTION 6. [EFFECTIVE UPON PASSAGE] (a) The definitions**
 10 **in IC 6-1.1-1 apply throughout this SECTION.**

11 **(b) For the assessment date in 2003 and the assessment date in**
 12 **2004, a person who is entitled to receive the homestead credit**
 13 **provided under IC 6-1.1-20.9 for property taxes payable in the**
 14 **following year is entitled to a deduction from the assessed value**
 15 **of the real property, mobile home not assessed as real property,**
 16 **or manufactured home not assessed as real property that qualifies**
 17 **for the homestead credit. The deduction is in addition to any other**
 18 **deduction for which the person qualifies. The auditor of the county**
 19 **shall record and make the deduction for the person qualifying for**
 20 **the deduction.**

21 **(c) The total amount of the deduction that a person may**
 22 **receive under this SECTION for:**

23 **(1) the assessment date in 2003 is nine thousand dollars**
 24 **(\$9,000); and**

25 **(2) the assessment date in 2004 is four thousand five**
 26 **hundred dollars (\$4,500).**

27 **(d) A person who has sold real property, a mobile home not**
 28 **assessed as real property, or a manufactured home not assessed**
 29 **as real property to another person under a contract providing that**
 30 **the contract buyer is to pay the property taxes on the real**
 31 **property, mobile home, or manufactured home may not claim the**
 32 **deduction provided under this section with respect to that real**
 33 **property, mobile home, or manufactured home.**

34 **SECTION 7. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-21-3**
 35 **and IC 6-1.1-21-4, both as amended by this act, apply only to**
 36 **property taxes first due and payable after December 31, 2003.**

37 **(b) IC 6-1.1-21.9, as added by this act, applies only to property**
 38 **taxes first due and payable after December 31, 2003."**

39 Page 3, delete lines 1 through 15.

40 Renumber all SECTIONS consecutively.

(Reference is to HB 1002 as printed January 13, 2004.)

Representative Neese